



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, NOVEMBER 26, 2007
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT SETTLES CIVIL CONTEMPT CLAIM AGAINST CAL DIVE INTERNATIONAL INC. AND HELIX ENERGY SOLUTIONS GROUP INC.

Cal Dive and Helix Agree to Pay \$2 Million

WASHINGTON — Cal Dive International Inc. and its parent company Helix Energy Solutions Group Inc. (collectively Cal Dive) have agreed to pay \$2 million as part of a civil settlement with the Department of Justice that resolves Cal Dive's alleged violations of a 2005 consent decree. The Department said that Cal Dive violated provisions of the consent decree which required the sale of certain saturation diving assets in connection with Cal Dive's acquisition of assets from Stolt Offshore Inc. and S&H Diving LLC. (collectively Stolt).

The Department filed a petition today in the U.S. District Court for the District of Columbia asking it to find Cal Dive and Helix in civil contempt for violating the 2005 consent decree. At the same time, the Department filed a settlement agreement and order, subject to court approval, that would resolve the Department's concerns. The \$2 million payment represents disgorgement of profits gained through Cal Dive's alleged violations and reimbursement to the Department for the cost of its investigation.

The 2005 consent decree required Cal Dive to divest two saturation diving vessels, including the Seaway Defender, and a separate saturation diving system. It also ordered Cal Dive not to impede the divestiture or operation of the assets to be sold. The Department alleges that Cal Dive engaged in a course of conduct that delayed the sale of one of the vessels, the Seaway Defender, and other assets enabling it to continue to profit from the use of the Seaway Defender during the period of high demand for saturation diving vessels due to clean up from Hurricane Katrina and Hurricane Rita. The Department also alleges that after the court appointed a trustee to sell the Seaway Defender, Cal Dive failed to divest the Seaway Defender in the same condition as Cal Dive acquired the vessel from Stolt.

"The Antitrust Division will vigorously prosecute violations of court orders, which prevent harm to consumers from certain mergers, acquisitions, and other conduct," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "The Division will not allow parties to benefit from their failure to comply with their legal obligations."

Prior to Cal Dive's acquisition of the Stolt assets, Cal Dive and Stolt were two of only three major providers of saturation diving services in the U.S. Gulf of Mexico. The transaction

eliminated Stolt as a competitor and would have left Cal Dive with more than half the capacity in the market. To prevent a substantial lessening of competition, as a condition to proceeding with the transaction, Cal Dive was required promptly to divest the two saturation vessels, including the Seaway Defender, and a separate saturation diving system to one or more independent competitors approved by the Department. After closing the transaction, however, Cal Dive failed to use best efforts to divest the Seaway Defender and other assets as promptly as possible, while using the Seaway Defender to its profit. Ultimately, the court appointed a trustee to sell the vessels, after Cal Dive had failed to do so within the period required by the decree.

Saturation diving services in the U.S. Gulf of Mexico are used for subsea construction projects, for inspection, maintenance and repair services, and for recovery and salvage after structures are damaged by weather or accident. By living in air-tight chambers aboard diving vessels in which the air pressure is equivalent to the pressure at the subsea work site, saturation divers work for prolonged periods and at deeper depths than surface divers.

Cal Dive International Inc., headquartered in Houston, provides marine construction services including manned diving and pipelay services to the offshore oil and natural gas industry. Its revenues in 2006 exceeded \$500 million dollars.

Helix Energy Solutions Group Inc., also headquartered in Houston, is a marine energy service company providing a full range of marine contracting services that include marine construction, robotic services, and decommissioning services. Its revenues in 2006 approximated \$1 billion dollars. Helix Energy Solutions Group Inc. is the successor-in-interest to defendant Cal Dive.

###